

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)
EXECUTIVE SUMMARY**

TLC Child & Family Services (“TLC”)

Amendment to Resolution Number 359

January 6, 2011

PURPOSE OF THE REQUEST:

TLC Child & Family Services (“TLC”) is seeking the Authority’s approval to increase the amount previously approved by the board at its December 2, 2010 meeting (from \$2,745,000 to \$3,000,000, an overall increase of \$255,000).

BACKGROUND:

At the December 2, 2010 meeting, the Authority approved Resolution Number 359, which authorized TLC to go out to the tax-exempt market for \$2,745,000. Bond proceeds were approved to currently refund CHFFA 2000 Series A Bonds and a 1997 City of Sebastopol Certificate of Participation, as well as to fund debt service reserve funds, and to pay the costs of issuance, including the fees and premiums associated with Cal-Mortgage insurance. TLC is requesting the additional amount to allow for possible increases in project costs, including the costs of issuance.

FINANCIAL OVERVIEW:

As of the December 2, 2010 meeting, TLC had a pro-forma debt service coverage ratio of 1.27x. With the requested increase in amount to be issued, the pro-forma debt service coverage ratio lowers very slightly to 1.25x. This pro-forma continues to indicate TLC should likely be able to repay the proposed CHFFA bonds.

RECOMMENDATION:

Staff recommends the Authority amend Resolution Number 359 to permit the increase in the amount requested from \$2,745,000 to \$3,000,000.